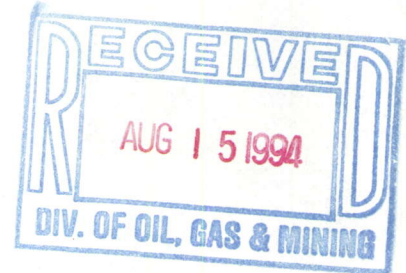


COTTER CORPORATION

Western Slope Operations

DIAL 303-864-7347
P. O. BOX 700 — AIRPORT ROAD
NUCLA, COLORADO 81424

August 11, 1994



Tony Gallegos
Utah Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Mr. Gallegos:

In accordance with the State of Utah Minerals Rules, R647-3-101.6, Cotter Corporation hereby informs you that work has begun on our Papoose Mine (S/037/084) in San Juan County, Utah. Road construction and stripping of trees began August 9, 1994.

Would you please send us a blank copy of form MR-AR and any pertinent instructions for its filing, so we may properly file our first year's annual report in accordance with rule R647-3-116.

Thank-you,
COTTER CORPORATION

Dick White

Dick White
Project Geologist

DW/tlt
limudnr2.dw

ALSO ML 45609